



Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C.

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JUN 15 1994

Implementation of Sections of the  
Cable Television Consumer Protection  
and Competition Act of 1992

Compatibility Between Cable Systems  
and Consumer Electronics Equipment

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

ET Docket No. 93-7

PETITION FOR RECONSIDERATION

TeleCable Corporation serves approximately 730,000 subscribers in 21 cable television systems. This Petition for Reconsideration focuses on the Commission's new requirement that no cable operator ever change infrared codes.

Each of TeleCable's systems offers multiple channels of premium television programming (e.g., HBO, Cinemax, Showtime, Disney) and entertainment on a pay-per-view basis in addition to basic programming and cable programming services. TeleCable Corporation was a pioneer in offering Multiplex<sup>1</sup> service to subscribers in many of its systems in cooperation with Home Box Office, Inc. and Showtime Networks, Inc. Addressable descrambling is the only economically feasible means of controlling access to this wide variety of programming and of providing choice and control for the consumer. TeleCable

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<sup>1</sup>Multiplex service consists of two or three different channels of HBO, two different channels of Showtime and three different channels of Cinemax.

Corporation operates more than 680,000 addressable decoders, all of which are capable of infrared remote control.

TeleCable and other cable operators frequently need to replace older addressable decoders with those offered by different suppliers. Consumers benefit by enjoying better reliability, new features such as on-screen display of programming-related information, improved aesthetics and increased channel capacity. Rule 76.630(c) prohibits cable operators from altering existing infrared codes. The practical effect of this rule is to prevent cable operators from changing their suppliers of addressable decoders; to make it more costly for any one manufacturer to improve its product line; and to seriously restrict competition among existing or prospective manufacturers.

The Commission's express premise for the rule is contained in footnote 40 to the First Report and Order. There, the Commission states, "In quantity orders, cable operators will be able to specify the specific codes to be used in new equipment." This notion is wrong. IR codes are proprietary and not routinely shared among competing manufacturers. Neither standardization nor cross licensing has been common. It is simply not feasible for one manufacturer to employ another's IR codes on short notice. A significant amount of time will be required for suppliers to reach agreement on sharing of proprietary codes and technology, and cable operators have no assurance that such agreements can be reached. Thus, a flash cut to a "no change" rule is tantamount to requiring each cable operator to stay with the manufacturer of their existing equipment, thus frustrating competition in the

equipment marketplace and precluding operators from upgrading to features available only from one manufacturer.

Even within a manufacturer's product lines, IR codes are not necessarily standard. For example, General Instruments and other manufacturers periodically make improvements in their IR signalling techniques and discontinue use of the old IR codes.

Even if cross licensing were widespread, and manufacturers were to continue the use of old and new IR Codes in every box, cost of equipment would increase to cover royalties, additional memory, and the more expensive IR receivers needed to work-around older or competing IR codes.

Rule 76.630(c), as written, will create havoc in the cable industry by preventing operators from upgrading their addressable technology and by precluding new manufacturers from entering the cable business.

We have attached a letter from General Instruments attesting to these facts.

We further submit that an unspoken premise of the Commission's rules is also in error. The prohibition was adopted, we believe, to prevent consumer "universal remotes" from becoming obsolete. But the vast majority of universal remote controls now being purchased by consumers can be *programmed* to function with the addressable equipment now being

purchased. When cable operators change decoder brands, consumers can be notified to change the IR codes in their universal remote control units.

A preferable alternative to Rule 76.630(c) will be to encourage cable equipment manufacturers, at a reasonable future date, to develop, for basic functions (e.g., 0-9, channel up/down, enter), a standard set of "public domain" IR codes available to all suppliers, so that universal remotes manufactured after that date will not be rendered obsolete.

However, cable's best efforts will not help consumers who purchase universal remote controls if TV and VCR manufacturers continually change their codes. Therefore, the FCC should apply the same requirements to TV and VCR manufacturers.

TeleCable requests that the Commission revise Rule 76.630(c) to provide a reasonable transition period which allows cable operators and manufacturers adequate time to adopt a set of IR codes which will not render future universal remote control units obsolete. TeleCable also asks that the FCC apply the same requirements to TV and VCR manufacturers.

Respectfully submitted,

TELECABLE CORPORATION

By: N Worth / PG  
Nicholas E. Worth  
Executive Vice President  
Engineering  
Dominion Tower  
999 Waterside Drive  
Norfolk, VA 23510  
(804) 624-5050

By: OC  
Paul Glist  
COLE, RAYWID & BRAVERMAN  
1919 Pennsylvania Avenue, N.W.  
Suite 200  
Washington, D.C. 20006  
(202) 659-9750

June 15, 1994

## **GI General Instrument**

General Instrument Corporation  
GI Communications Division  
2200 Byberry Road  
Hatboro, Pennsylvania 19040  
Tel 215 674 4800

June 13, 1994

Mr. Nicholas E. Worth,  
Executive Vice President  
TeleCable Corporation  
Dominion Tower  
999 Waterside Drive  
Norfolk, Virginia 23510

Re: FCC Rule 76.630 (c)

Dear Mr. Worth:

This letter is provided in connection with the filing to be made by TeleCable Corporation as part of the petition for reconsideration of the above-referenced rule which would prohibit cable operators from altering infrared codes used to remotely control addressable set-top decoders. You have asked that we respond to TeleCable Corporation with our views as to footnote 40 to the First Report and Order released May 4, 1994 concerning Compatibility Between Cable Systems and Consumer Electronics Equipment, which states:

"In quantity orders, cable operators will be able to specify the specific codes to be used in the new equipment."

On this point, we believe that there are assumptions made by the FCC in the subject report which are not factually correct. The first assumption is that new equipment manufacturers will be able to employ the same infrared codes for remote controls as are used with subscribers' existing set-top equipment. This is not true. Manufacturers such as General Instrument are not able to freely take all existing infrared codes and employ them in their equipment because some companies have copyrighted their library of device codes. In order for other vendors to use such proprietary codes, rights to use such codes must be granted, typically by way of licensing. To date, such licensing has not been widespread, hence discussion and negotiation of licensing terms and conditions must first take place. This of course assumes that owners of proprietary codes are willing to license the codes. For these reasons, although cable operators may specify to equipment manufacturers the codes they wish to employ in replacement equipment, the ability of a manufacturer to deliver equipment which includes such codes can not be guaranteed. Also, to the extent that restrictions on the use of proprietary codes can be overcome through licensing, the royalty payments paid to the owner of the codes will need to be included in the cost of set-top equipment that includes such codes.

The report also includes an implicit assumption that the infrared codes embedded in older, set-top terminals continue to be used in newer set-top terminals. In fact, General Instrument and other manufacturers periodically make improvements to their infrared signalling techniques such that old infrared codes are not all employed in updated models. Such improvements include but are not limited to the use of new or different frequencies or modulation schemes.

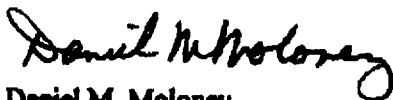
If cable operators are required to continue to support old infrared codes and must specify to manufacturers equipment that does so, the result will likely be more expensive set-top converters that include the necessary work-around to support the infrared scheme of the devices being replaced as well as the new devices with better signalling characteristics. Such additional costs will result not only from licensing fees as mentioned above, but also from the cost of additional memory to handle additional infrared code reference tables as well as more expensive infrared receivers.

We believe that the problems discussed above will be compounded by the fact that most cable systems presently use, within a single system, a number of different set-top converters that incorporate a variety of infrared schemes. In order to comply with this proposed ban on infrared alteration, system operators would have to choose between maintaining a stock of multiple types of replacement converters or ordering more expensive set-top converters that either include all of the alternative infrared schemes used in the particular cable system or that support a very broad range of infrared schemes.

In our view, the additional cost which cable operators would face in complying with this ban would inhibit many operators from replacing older equipment with new equipment. Ultimately, this outcome would deprive subscribers of improvements and new features, which is directly contrary to the FCC's goal of structuring its regulations to promote innovation and competition.

We hope that this information has been useful. Please let us know if we may be of any further assistance.

Very truly yours,



Daniel M. Moloney  
Vice President, Addressable Systems Business Unit